



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	HB0027	Title:	Revise universal system benefit laws
Primary Sponsor:	Wiseman, Brady	Status:	As Introduced

- | | | |
|---|---|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input checked="" type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
State Special Revenue	\$150,381	\$300,763	\$300,763	\$300,763
Revenue:				
State Special Revenue	\$150,381	\$300,763	\$300,763	\$300,763
Net Impact-General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact:

Revenue currently comes into the state from the universal systems benefit programs and is expended by the Department of Public Health Human Services (DPHHS) and the Department of Environmental Quality (DEQ). This revenue will end in December of 2009 under current law because of a sunset provision for the program. This bill eliminates the sunset and allows the revenue to continue at the current level.

FISCAL ANALYSIS

Assumptions:

Department of Revenue

- Under current law, a universal system benefits charge is assessed on local utility customers. This revenue is used to fund utility conservation and renewable energy programs. Revenue not used in the utility conservation programs is deposited in a state special revenue fund, the universal system benefits (USB) fund, and is used to fund low-income and other energy conservation programs. The low income programs are administered by the Department of Health and Human Services (DPHHS). The other energy conservation programs are administered by the Department of Environmental Quality (DEQ).
- Under current law the USB charge terminates December 31, 2009. This bill eliminates the termination date.

3. In FY 2007 \$220,000 was deposited in the state special revenue account for low income energy assistance and in FY 2008 \$139,679 was deposited in the same account. The average for these two fiscal years was \$179,839.
4. In FY 2007 \$102,168 was deposited in the special revenue account for all other energy conservation programs and in FY 2008 \$139,679 was deposited. The average for these two fiscal years was \$120,923.
5. The two-year average total revenue from the USB charge deposited in the state special revenue fund was \$300,763.
6. For the purposes of this fiscal note it is assumed that additional revenues in the period after termination date is eliminated will be the average of the revenues in FY 2007 and FY 2008. The termination date is in the middle of FY 2010; elimination of the termination date affects the revenue going to the special revenue fund in the second half of FY 2010 and FY 2011 through FY 2013. Therefore state special revenue fund revenues increase by \$150,381 in FY 2010 and increase by \$300,763 in FY 2011 through FY 2013.
7. It is assumed that the revenue increase to low income programs administered by DPHHS and the other energy conservation programs administered by DEQ will be the average of the respective revenues in FY 2007 and FY 2008. Therefore, the revenues to the low income programs will be \$89,920 in FY 2010 and \$179,839 in FY 2011 through FY 2013. The revenues to the other energy conservation programs will be \$60,462 in FY 2010 and \$120,923 in FY 2011 through FY 2013.
8. It is assumed that all funds will be expended within the fiscal year received.
9. Elimination of the termination date is not expected to have an impact on Department of Revenue costs.
10. The legislative committee on Energy and Telecommunications will review the universal system benefits programs before the biennial legislative session and make recommendations to the legislature if any are needed. No additional costs are estimated due to this requirement.
11. This bill is effective upon passage and approval.

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<u>Fiscal Impact:</u>				
Department of Revenue				
<u>Revenues:</u>				
State Special Revenue (02)	\$150,381	\$300,763	\$300,763	\$300,763
Department of Public Health and Human Services				
<u>Expenditures:</u>				
Benefits	\$89,920	\$179,840	\$179,840	\$179,840
<u>Funding of Expenditures:</u>				
State Special Revenue (02)	\$89,920	\$179,840	\$179,840	\$179,840
Department of Environmental Quality				
<u>Expenditures:</u>				
Operating Expenses	\$60,461	\$120,923	\$120,923	\$120,923
<u>Funding of Expenditures:</u>				
State Special Revenue (02)	\$60,461	\$120,923	\$120,923	\$120,923
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
State Special Revenue (02)	\$0	\$0	\$0	\$0

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date